

JUL 02 2019

ADVANCEMENT SERVICES

CHARITABLE GIFT AGREEMENT –
T Denny Sanford Institute for Empathy and Compassion

This Charitable Gift Agreement – T. Denny Sanford Institute for Empathy and Compassion (“Agreement”) is made as of the Effective Date by and among T. Denny Sanford (“Donor”), THE REGENTS OF THE UNIVERSITY OF CALIFORNIA (“The Regents” or “University”), on behalf of the San Diego Campus (“Campus”), and the UC SAN DIEGO FOUNDATION (“Donee”) with reference to the recitals set forth below.

RECITALS

A. Donee is a California Nonprofit public benefit corporation, is operated exclusively for charitable purposes, is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (“Code”) and is not a private foundation as defined in Code Section 509(a). Donee exists solely to accept charitable gifts on behalf of and to provide support for the Campus.

B. Campus is a location known as UC San Diego of The Regents (a ten-campus system of higher education), a California Nonprofit public benefit corporation, which is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (“Code”) and is not a private foundation as defined in Code Section 509(a).

C. Donor has previously given a gift of One Hundred Million Dollars (\$100,000,000) to Donee for establishment on the Campus of the Sanford Stem Cell Clinical Center and Donor desires to make an additional substantial gift to Donee to support further programs at the Campus.

D. Donor wishes to make the gift referred to in this agreement available to the Campus for the establishment of the T. Denny Sanford Institute for Empathy and Compassion (“Sanford Institute”). The Sanford Institute will be utilized to develop programs to enhance empathy and compassion including research designed to give an understanding into the biology of empathy and compassion through a multidisciplinary approach. Campus will utilize and deploy programs established by the Sanford Institute and the School of Medicine as a part of the effort to transform the practice of compassion in medicine and positively shape the culture of medicine and greatly enhance human wellbeing.

E. Campus and Donee have determined that it is in their best interests to accept the gift upon the terms and conditions set forth in this Agreement, subject to acceptance and approval of the President of the University.

AGREEMENT

NOW, THEREFORE, for valuable consideration and the mutual promises set forth herein, the parties agree as follows:

1. Gift Funds. Upon the terms set forth in this Agreement, Donor agrees to contribute and pay to Donee the sum of One Hundred Million Dollars (\$100,000,000) ("Gift Funds") as provided in this paragraph.

1.1 Donor shall pay to Donee in accordance with the payment schedule outlined in Exhibit A, provided that the corresponding milestones also set forth in Exhibit A have been accomplished or completed.

1.1.1 Donor may elect to accelerate payments at any time. To the extent Donor elects to make a prepayment on his donation obligations, the parties agree that the size of the donation obligation, which is being prepaid, shall be reduced to its net present value discounted at a rate of 4.0% for the time period between the scheduled payment date and the actual prepayment date.

1.1.2 The obligation of Donor to make a scheduled payment is contingent upon the Campus achieving the milestones set forth for that gift payment installment. Failure to meet a milestone shall not void the remainder of the gift obligations except as specially noted on Exhibit A or otherwise provided in this Agreement. Rather, the obligation to make the schedule payment shall be deferred until the milestone associated with that payment is accomplished or completed. In the case of milestones being completed after their scheduled date as set forth in Exhibit A, Donor shall have 90 days after the completion or accomplishment of a delayed milestone to make the payment associated with that milestone. Donor retains at all times the right to waive achievement of any milestone in Donor's sole discretion. In addition, Donee may present to the Donor requests for modifications in gift payment schedules and/or milestones as established in the interest of the financial stability, quality of programming, and unforeseen opportunities that may present themselves over the length of the intended gift period. The Donor may, upon evaluation and consideration, amend or adjust the schedule and/or expectations as requested or may elect to maintain the original agreement in Donor's sole discretion.

1.2 Donor acknowledges that if not all of the Gift Funds have been paid prior to the Donor's death, the balance remaining shall be a debt of Donor's estate and shall be paid by the Donor's estate, at its option, either in accordance with the payment schedule of Section 1.1 or prepaid in accordance with the provisions of Section 1.1.1.

2. Medium and Mechanics of Payment. Each payment required by this Agreement shall be paid in cash (United States Dollars) or marketable securities with a value on the date of payment at least equal to the installment noted in Exhibit A.

3. Campus and Donee's Reliance. Campus and Donee have relied on the payment of the Gift Funds in consideration of Campus and Donee's obligation under this Agreement. Both Campus and Donee will continue to rely on the Gift Funds for the investment in the Sanford Institute to be made by the Campus as set forth in the Exhibit A milestones and as summarized in attached Exhibit C, in making financial commitments in the purchase of equipment and hiring of faculty and staff, and in applying for any grant and contract funds (if such applications occur in the future) by the Campus for the development of the Sanford Institute. Therefore, except as otherwise provided in this Agreement, this Agreement is a

binding obligation of the parties. Campus and Donee have provided Donor with a 10-year budget (Exhibit D) which represents their best estimate of the overall Institute expenditures for programs and capital improvements related to the Sanford Institute.

4. Use of Gift Funds; Accounting. Donee and Campus shall manage and use the Gift Funds to fund the Sanford Institute and otherwise exclusively in furtherance of the Sanford Institute's research mission of promoting empathy and compassion. In addition to any other reports to Donor required in this Agreement for so long as any of the Gift Funds are held by Donee or Campus, and until all disbursements of the Gift Funds shall have been reported to the Donor, each year within sixty (60) days following the close of Donee and Campus' fiscal years, Donee and Campus shall provide to the Donor an accounting of the use of the Gift Funds.

5. Naming and Signage. In accordance with University policy, all namings are subject to University policies and approvals, including the approvals of the Campus Naming Committee and the President of the University. The Campus will ensure the approvals are obtained for the naming of the "T. Denny Sanford Institute for Empathy and Compassion", with signage and recognition in multiple locations related to the Sanford Institute operations across the campus. Donor and Campus acknowledge at the time of execution of this Agreement, the exact locations of the signage to recognize the Sanford Institute have not been determined. Provided that Donor has met all of Donor's obligations under this Agreement on a timely basis, Campus agrees to provide signage at the Campus locations as generally set forth in Exhibit E as the "T. Denny Sanford Institute for Empathy and Compassion" by no later than one year from execution of this Agreement. All final locations and the related signage will be approved in advance by the Donor. For facilities not owned by the Campus, signage may be subject to the approval of the building owner, if necessary. Failure of Donee to determine the locations and signage and to obtain any required approvals for the signage shall constitute a material breach of this Agreement. In the event this Agreement is terminated by Donor due to a material breach by Donee or Campus, the naming obligations of Campus shall continue through the normal term of this Agreement, unless Donor releases Campus from its naming obligations.

5.1 The parties agree that the designated and defined areas where the Sanford Institute will operate may have signage placed already recognizing existing Donors and may recognize additional new philanthropic donors.

5.2 Campus agrees that it will develop a logo and other material and use strategies to create, establish and protect a brand image for the Sanford Institute ("Brand Strategy"). The Brand Strategy will be subject to Campus branding and logo requirements and other applicable University policies and procedures and may include discussion with collaborating research and clinical partners for review and approval as needed and may be updated from time to time to refresh the brand to strengthen the program or maintain consistency with Campus branding. Campus shall implement the Brand Strategy by, among other things, (i) including on all buildings or on monuments identifying buildings associated with the Sanford Institute, appropriate signage bearing the name and brand logos and (ii) utilizing the name and logos on the most visible operational documents, such as letterhead, websites, business forms, and marketing campaigns associated with the Sanford Institute. The Brand Strategy shall be approved by the Executive Council as established pursuant to Section 6. Campus agrees to provide Donor with a draft copy of the proposed Brand Strategy and Donor shall have the right

to make comments on the proposed Brand Strategy. Campus shall consider any comments made by Donor but shall not be obligated to adopt any changes or suggestions of Donor.

5.3 All signage will be subject to the signage policies of the Campus and the University and applicable zoning requirements.

6. Oversight Committee. Campus will establish a governing body for the Sanford Institute. The governing body (hereinafter referred to as the "Executive Council") is more fully described in attached Exhibit F which describes both its composition, method of appointment and duties. The Executive Council shall oversee the development of an overall strategic plan and an annual operating/business plan for the Sanford Institute. Prior to their final approval, Donor shall be provided with a draft of the strategic plan and the annual operating/business plan. Donor may provide comments on the plan and Donee and Campus agree to consider any comments by Donor but are not obligated to accept Donor's comments.

7. Partnership Opportunities with University of South Dakota Sanford School of Medicine (the "School"). The leadership of the Sanford Institute will seek opportunities to partner with the School by distributing the revised training programs to the School first, and by regularly interacting and communicating with the leadership of the School. The Campus will actively attempt to facilitate and leverage appropriate opportunities with the potential to benefit both organizations in realizing the ultimate goal and vision of the Sanford Institute.

8. Publicity. Donor requests and Campus acknowledges that the Donor does not desire a public media event or publicity. Campus shall work with Donor and the Donor's representative to determine the appropriate announcements and recognition of the Donor's donation of the Gift Funds, at the discretion of the Donor. The foregoing notwithstanding, the amount of the Gift Funds and the identity of the Donor shall not be disclosed publicly prior to the agreed-upon announcement of the gift, unless required by law; provided, however, that Donor understands that the identity of the Donor and amount of the gift must be confidentially disclosed to certain parties within the Donee, the Campus and Office of the President of the University for appropriate reviews and approvals. Any future references in authorized public announcements, press releases, catalogues, brochures, and other publicity regarding the gift will refer to the "T. Denny Sanford Institute for Empathy and Compassion."

9. Breach. The parties agree that a material breach will cause irreparable harm to the party not in breach, which may not be compensable. Accordingly, subject to compliance with the provisions of subparagraph 16.1 of this Agreement, the party not in material breach may pursue the remedies set forth in paragraph 10 of this Agreement.

9.1 Each of the following events shall be deemed a material breach of this Agreement by the respective party.

9.1.1 Failure by the Campus to maintain the naming provided in paragraph 5 of this Agreement.

9.1.2 Failure of the Donor to make the Gift payments as provided in this Agreement.

- 9.1.3 A decision to discontinue the research into empathy and compassion for reasons other than a natural or man-made disaster, such as a terrorist action, earthquake, fire, flood or other similar cause.
- 9.1.4 The activities of the Campus related to the original plan are determined by a court or administrative body in a non-appealable order to have violated applicable laws such that Campus is required to cease operations related to the Plan.
- 9.1.5 Failure of Donee or Campus to meet any milestone set forth in Exhibit A. However, the failure of Donee and Campus to meet a milestone shall not give rise to a right of Donor to terminate this Agreement.
- 9.1.6 Failure of Donee and Campus to utilize the Gift Funds in accordance with the provisions of this Agreement.
- 9.1.7 Violation by any party of that parties' warranties and representations contained in this Agreement or failure by any party to meet its covenanted obligations as set forth in this Agreement.
- 9.1.8 Failure of Donee, Campus and University to maintain their status as a tax-exempt organization under Section 501(c)(3) of the Code and their status as not a private foundation as defined in Code Section 509(a).
- 9.1.9 Failure of Campus and Donee to utilize the Executive Committee as provided in Exhibit F and Section 6 or failure of Donee and Campus to follow the collaboration procedures and process outlined in Section 7.

9.2 Any other breach of this Agreement by a party shall not be deemed a material breach, and the party not in breach may pursue any legal remedies, subject to compliance with subparagraph 16.1 of this Agreement.

9.3 Notwithstanding anything herein to the contrary, Campus, Donee and Donor shall have a commercially reasonable time not exceeding 180 days to cure any breach, including any material breach.

10. Remedies for Material Breach. Subject to the compliance with the provisions of subparagraph 16.1 of this Agreement, the party not in material breach may initiate proceedings to exercise only the following remedies on account of such breach:

10.1 With respect to a material breach by the Donor, the Campus and Donee shall have the right: (a) to remove the naming and signage provided in Section 5 of this Agreement from Donee's or the Campus's facilities, and any location where the Name has been displayed pursuant to this Agreement and (b) to seek specific performance.

10.2 Except as otherwise limited by this Agreement (such as the limitations noted in Section 9.1.5) with respect to a material breach by Campus or Donee, the Donor may either:

10.2.1 Seek specific performance of the terms of this Agreement. Campus and Donee hereby agree that injunctive relief is an appropriate remedy for a wrongful removal of or failure to maintain the naming provided in this Agreement; or

10.2.2 Terminate this Agreement. Upon termination of this Agreement, neither party shall have any further obligation to the other, and in particular, Donor shall have no obligation to make any further payments under this Agreement. If Campus or Donee's breach is for the reason set forth in subparagraph 9.1.1, Campus agrees to pay to the Denny Sanford Foundation, or to one or more Charities identified by the Donor, the amount of the unexpended Gift Funds paid by the Donor within ninety (90) days of termination of this Agreement. If Campus or Donee's breach of this Agreement is for any reason other than that set forth in subparagraph 9.1.1, Donor and Campus will discuss options for the application unexpended Gift Funds in the possession of Donee for other Campus projects, programs or initiatives.

10.2.3 If the material breach is a failure by Campus or Donee to meet any Exhibit A milestone and the breach has not been cured within one year, Donor may reduce his total gift commitment by the amount of the payment associated on Exhibit A with the milestone which has not been achieved.

11. Campus and Donee's Representations, Warranties and Covenants. Campus and Donee and the signatories to this Agreement do hereby represent, warrant, agree and covenant with Donor as follows:

11.1 The signatories to this Agreement on behalf of University, Campus and Donee represent that they have the authority to execute this Agreement.

11.2 Donee is a California nonprofit public benefit corporation and has received a determination letter from the Internal Revenue Service that it is qualified under Section 501(c)(3) of the Code and is not a private foundation under Sections 509(a) of the Code, which letter has not been revoked or otherwise modified. Donee will take all steps necessary to

maintain its status as an exempt organization under Section 501(c)(3) of the Code and its status as not a private foundation under Section 509(a) of the Code.

11.3 Donee agrees to inform the Donor promptly of alterations in its organization structure or activities or any change, either threatened or actual, which may adversely affect Donee's tax exempt status as represented in this Agreement or make untrue or incorrect any of its representations or warranties contained in this Agreement and shall furnish a written statement regarding such change in activities or potential change in its tax-exempt status.

11.4 Donee has the full capacity, right, power and authority to enter into this Agreement, to accept the Gift Funds, and to perform its representations, warranties and obligations under this Agreement and that this Agreement is binding on Donee and its successors-in-interest and will not violate any of the provisions of its governing instrument or any provision of law applicable to it, subject to the approval noted in Recital E.

11.5 Donee agrees that to the extent it has received Gift Funds, which have been prepaid by Donor, it will not expend such funds until the appropriate milestone set forth in Exhibit A has been achieved or the achievement of that milestone has been waived by Donor. The unexpended Gift Funds shall be held in a segregated account (which may be subject to common investment with other funds of Donee) and investment returns shall be credited or debited to the segregated account.

11.6 Campus and Donee shall provide quarterly narrative reports to Donor, including in these reports a description of progress on achieving the relevant milestones set forth in Exhibit A and a discussion with regard to the achievement or progress on annual programmatic goals and key activities as set forth in Exhibit B and a brief report of governance activities and other activities by the oversight and related committees during the preceding quarter. In addition, Donor shall have the right to inspect all financial books and records relating to the Sanford Institute.

11.7 Donee agrees to abide by and accept the gift made by this Agreement subject to the conditions set forth in this Agreement.

11.8 Periodically, as reasonably requested by Donor and in no event less than annually, Donor and/or his designated representative and Campus and Donee will meet to review current activities and progress toward the milestones set forth in Exhibit A and the annual programmatic goals and key activities set forth in Exhibit B and the extent of collaboration involving Campus and Sanford Health. Such meetings shall occur in person, unless otherwise agreed to by Donor.

11.9 Donee and Campus agree to use reasonable efforts to seek additional philanthropic support and outside grant support for the Sanford Institute and the Campus' research and clinical programs related to empathy and compassion.

12. Representations and Warranties of the Donor. The Donor represents and warrants that the signatory to this Agreement on behalf of Donor has the authority to execute this Agreement.

13. No Other Representations or Warranties. No representations or warranties whatsoever are made by any part to this Agreement except as specifically set forth in this Agreement. All representations and warranties made by a party pursuant to this Agreement shall be deemed to be continuing.

14. Assignment by the Donor. The Donor's respective rights and obligations under this Agreement including the obligation to pay the Gift Funds, may not be assigned or transferred by the Donor without the prior written consent of Donee; provided, however, upon the death of Donor, the Denny Sanford Foundation shall have the right, but not the obligation, to enforce the terms of this Agreement.

15. Successors/Binding Nature of Agreement. This Agreement shall be binding on, and shall inure to the benefit of, the parties and their respective heirs and successors-in-interest.

16. Dispute Resolution/Further Developments.

16.1 The parties have developed a strong mutual confidence and understanding. In this Agreement, the parties have set forth careful provisions to insure Donor is kept fully informed as to development and activities by Donee and the Campus related to this gift. Donor understands that his gift is irrevocable as provided in this Agreement and Donee and Campus understand that they have certain commitments to Donor also as provided in this Agreement. The parties further agree that in the event Donor has a serious concern with Donee or the Campus over the direction of the Sanford Institute's development, Donee agrees that it will have its Chief Executive Officer and Campus agrees that it will have its Chancellor meet one-on-one with Donor to keep Donor informed of Donee and Campus' actions and proposed actions and to understand first hand and fully Donor's concerns about the current or proposed development of the Sanford Institute. Donor acknowledges that the ultimate decision as to the governance and development of the Sanford Institute is the responsibility of the Donee and Campus, but Donor appreciates the commitment of Donee and Campus to face- to- face, one-on-one meetings to ensure that any future concerns Donor may have are heard at an appropriate level within Donee and Campus.

16.2 If there is a material breach by any party to this Agreement and a resolution to such breach cannot be achieved through the process outlined in Section 16.1, then the non-breaching party may either request mediation or pursue judicial remedies to enforce the terms of this Agreement. In the event any judicial proceeding is instituted, it shall be brought in the courts in San Diego County, California.

17. Indemnification. Donee and Campus agree to indemnify and hold Donor harmless from any loss, damage or claims arising out of the use by Donee or Campus of the proceeds of this gift.

18. Entire Agreement. This Agreement constitutes the entire agreement among the parties pertaining the subject matter contained in this Agreement and supersedes all prior and contemporaneous agreements, representations and understanding of the parties. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by the parties, or their respective successors-in-interest. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

19. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. Severability. If any provision of this Agreement is held invalid or unenforceable by any court of final jurisdiction, it is the intent of the parties that all other provisions of this Agreement be construed to remain fully valid, enforceable and binding upon the parties.

21. Expenses. Each party shall pay all costs and expenses incurred or to be incurred by it in negotiating and preparing this Agreement and in closing and carrying out the transactions or requirements contemplated by this Agreement.

22. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the third day after mailing if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid and properly addressed as follows:

TO: THE DONOR

T. Denny Sanford
206 W 14th Street
PO Box 1030
Sioux Falls, SD 57101-1030

With a copy to:
Mr. Sanford's office at
8700 East Vista Bonita Drive
Suite 232
Scottsdale, AZ 85255

Email notification 

With additional copy to:

David L. Knudson
3820 N Louise Avenue
PO Box 5114
Sioux Falls SD 57117-5114

Email notification [REDACTED]

TO: DONEE:

President
UC San Diego Foundation
9500 Gilman Drive, Mail Code 0940
La Jolla, CA 92093-0940

Email notification: foundationboard@ucsd.edu

TO: CAMPUS:

Chancellor
UC San Diego
9500 Gilman Drive, Mail Code 0005
La Jolla, CA 92093-0005

Email notification: Chancellor@ucsd.edu

Any party or representative may change his, her, or its address for purposes of this paragraph by giving the other parties and representatives written notice of the new address in the manner set forth above. As a courtesy, at the time any notice, request, demand or other communication is made pursuant to this Section 22, it shall also be emailed to the addresses set forth as noted above for each party.

23. Governing Law. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California as applied to contracts that are executed and performed entirely in California.

24. Headings and Capitalized Terms. Section and other headings contained in this Agreement are for reference purposes only and are in no way intended to be described, interpret, define or limit the scope, extent or intent of this Agreement or any of its provisions. Capitalized terms used in this Agreement shall have the meaning assigned to them by this Agreement. The parties have cooperated in the preparation of this Agreement, so its terms should be fairly construed.

25. Effective Date. The Effective Date of this Agreement shall be the date when all parties have executed this Agreement

Dated: July 2, 2019

T. DENNY SANFORD

BY: 

Name: _____

Title: _____

Dated: July 3, 2019

UC SAN DIEGO FOUNDATION

BY: 

Name: Pradeep K. Khosla

Title: Chancellor

Dated: July 3, 2019

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

BY: 

Name: Pradeep K. Khosla

Title: Chancellor

UCSD Gift
List of Exhibits

Exhibit A – Annual Milestones and Gift Payment Schedule

Exhibit B - Programmatic Goals and Key Activities

Exhibit C – Summary of Investment by Donor and by Campus/University

Exhibit D – 10-year Expenditure Budget for the Sanford Institute

Exhibit E – Campus Locations for the Sanford Institute

Exhibit F – Description of the Sanford Institute Executive Council

Exhibit A

Annual Milestone Requirements and Summary Gift Payment Schedule

Fiscal Year ¹ 2019 Milestone Requirements	Deliverable Date	Gift Payment Installment
1. Gift agreement with donor signed and accepted by UC San Diego Office of the Chancellor and the University of California Office of the President.	All milestone requirements will be met on or before 6/30/2019.	\$20,000,000

Fiscal Year 2020 Milestone Requirements	Deliverable Date	Gift Payment Installment
<ol style="list-style-type: none"> 1. Establishment of the governing body of the T. Denny Sanford Institute for Empathy and Compassion, including Director and Executive Council. 2. Institute space identified with renovation initiated. 3. Programmatic assessment and initial deployment. 4. UC San Diego to commit approximately \$7.6 million in institutional support. 5. Finalize Memorandum of Understanding between UC San Diego and the Compassion Institute. 6. Research efforts commence through seed funding. 7. Annual progress report submitted. 	All milestone requirements will be met on or before 6/30/2020.	\$20,000,000

¹ UC San Diego's fiscal year is July 1 – June 30.

Fiscal Year 2021 Milestone Requirements	Deliverable Date	Gift Payment Installment
<ol style="list-style-type: none"> 1. Renovation of Sanford Institute concludes; core teams move into newly renovated space. 2. UC San Diego to commit approximately \$7.1 million in institutional support. 3. Annual progress report submitted. 	All milestone requirements will be met on or before 6/30/2021.	\$20,000,000

Fiscal Year 2022 Milestone Requirements	Deliverable Date	Gift Payment Installment
<ol style="list-style-type: none"> 1. Findings from evaluation of existing training programs implemented into second-generation training programs. 2. UC San Diego to commit approximately \$10.9 million in institutional support, including \$4.5 million in new neurological imaging equipment. 3. Annual progress report submitted. 	All milestone requirements will be met on or before 6/30/2022.	\$20,000,000

Fiscal Year 2023 Milestone Requirements	Deliverable Date	Gift Payment Installment
<ol style="list-style-type: none"> 1. Links established to distribute training programs for medical students to University of South Dakota Sanford School of Medicine and other participating institutions. 2. UC San Diego to commit approximately \$8.3 million in institutional support. 3. Annual progress report submitted. 	All milestone requirements will be met on or before 6/30/2023.	\$20,000,000

Fiscal Year 2024 Milestone Requirements	Deliverable Date	Gift Payment Installment
<ol style="list-style-type: none"> 1. Model programs distributed to medical schools across the nation, beginning with the University of South Dakota Sanford School of Medicine. 2. UC San Diego to commit approximately \$8.8 million in institutional support. 3. Comprehensive progress report submitted. 	<p style="text-align: center;">All milestone requirements will be met on or before 6/30/2024.</p>	

General Provisions

1. Milestones listed above take into account a five-year term, with the exception of the Sanford Professorships, which require a 10-year term.
 - a. In order to recruit top scientists, the institution must show a ten-year commitment to the new faculty member(s). The Sanford Professorships will provide this security in order to gain the top talent in the study of the neurobiological basis of empathy and compassion.
2. UC San Diego will continue to provide approximately \$2.4 to 2.5 million annually in institutional support of faculty from fiscal year 2025 to 2029, concluding that support on or before 6/30/2029.
3. Total UC San Diego institutional support to be \$55 million.

Summary of Gift Payment Schedule

Payment Number	Deliverable Date (on or before)	Gift Payment Installment
1	6/30/2019	\$20,000,000
2	6/30/2020	\$20,000,000
3	6/30/2021	\$20,000,000
4	6/30/2022	\$20,000,000
5	6/30/2023	\$20,000,000

Exhibit B

Annual Programmatic Goals and Key Activities

Fiscal Year 2020
Recognition (private and/or public), planned in consultation with Denny Sanford, to recognize the philanthropic commitment to creating the T. Denny Sanford Institute for Empathy and Compassion.
First pool of applications collected and award letters extended for Sanford Research Fellows and Sanford Scholars of Compassion.
Initiate academic process to establish professorships to support the Institute's programs.
Begin process of hiring key administrative positions.
Establish planning committee for annual international conference.
Seed funding for first round of research projects distributed. Overview of research projects shared with Denny Sanford.
Announcement and publicity of seed funding opportunities for collaborative research projects.
Establish liaisons with institutional leaders within the Sanford Network to build synergies and collaborations.

Fiscal Year 2021
Welcome the first class of Sanford Research Fellows and the Sanford Scholars of Compassion. Introduce Denny Sanford to the first class of Fellows and the Sanford Scholars.
Second round of research funding distributed, including inter-institutional collaborative projects. Overview of research projects shared with Denny Sanford.
Hold first-annual international conference to review the state-of-the-art research in empathy and compassion.
Initiate compassion curriculum for clinicians in communication skills, including establishment of the first annual retreat for physicians.

Fiscal Year 2022

Host meeting with Denny Sanford and Sanford Scholars.

Third round of research funding distributed. Overview of research projects shared with Denny Sanford.

Hold second-annual international conference on empathy and compassion.

Laboratory space for Sanford Institute researchers updated/customized for new faculty recruits.

Fiscal Year 2023

Welcome the second round of Sanford Research Fellows.

Host meeting with Denny Sanford and Sanford Scholars.

Introduce Denny Sanford to the third class of Scholars and second round of Fellows, and revisit with previous classes.

Fourth round of research funding distributed. Overview of research projects shared with Denny Sanford.

Hold third-annual international conference on empathy and compassion.

Key recruits situated on campus and conducting research. Introduce Denny Sanford to new faculty.

Laboratory space for Sanford Institute researchers updated/customized for new faculty recruits.

Identify opportunities for distributing updated training programs for medical students to collaborators and other participating institutions.

Fiscal Year 2024

All 8 Sanford professorships established (throughout the five-year term).

8 new faculty members recruited for Institute efforts (throughout the five-year term).

Introduce Denny Sanford to professorship-holders, as appointed, and recruited faculty members, once hired.

Sanford Scholars of Compassion graduate. Invite Denny Sanford to participate in their graduation ceremony.

Hold fourth-annual international conference on empathy and compassion.

Final round of research funding distributed. Overview of research projects shared with Denny Sanford.

Laboratory space for Sanford Institute researchers updated/customized for new faculty recruits.

Distribute programs and revised training programs to University of South Dakota Sanford School of Medicine first and then to other medical schools across the United States and Internationally.

Publish a five-year progress report that reviews all aspects of Institute operations and programmatic success, including analysis of expansion opportunities beyond medicine.

Exhibit C

T. Denny Sanford Institute for Empathy and Compassion

Subject Matter Expertise

	Sanford Investment	University Investment
8 Professorships for Key Faculty Positions	\$16,000,000	\$11,390,000
8 Recruitment Packages for new faculty	\$6,000,000	\$6,000,000
Annual support for up to 8 faculty members		\$17,410,000
Facilitation and dissemination of training modules, under the guidance of the Compassion Institute	\$6,000,000	

Research

Seed Funding for UC San Diego investigator-driven projects	\$6,000,000	
Seed Funding for Collaborative Projects, prioritizing the Sanford network (i.e., ASU, USD, National University)	\$6,000,000	
Specialized Neurological Imaging Equipment		\$10,000,000
Research Cores and Assets made available to Institute		\$8,700,000
Research Fellows	\$2,500,000	

Program Support

Annual International Conference	\$1,000,000	
Integration of New Methods into Medical School Curriculum	\$5,475,000	
Sanford Scholars of Compassion: Full tuition scholarships for medical students	\$1,000,000	
Student-Run Free Clinic	\$10,000,000	
Center for Empathic Practice of Medical Innovation	\$13,225,000	
Center for Mentorship and Communication in Medicine	\$10,200,000	\$1,500,000

Institute Infrastructure

Directorship for Sanford Institute	\$1,250,000	
Administrative Core	\$4,750,000	
Research Core	\$3,000,000	
Resources (global marketing, advisory board, etc.)	\$2,500,000	

Physical Space

Virtual Institute: Refresh and maintenance of ongoing space for Institute faculty and research/educational activities	\$5,000,000	
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Summary

Total	\$100,000,000	\$55,000,000
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T. Denny Sanford Institute for Empathy and Compassion - Master Budget

EXHIBIT D

Subject Matter Expense	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Total Sanford Investment	Total University Investment
Professorships for Key Faculty Positions											\$	
Sanford Investment	\$8,000,000	\$4,000,000	\$4,000,000								\$	16,000,000
Professorships for Key Faculty Positions	\$4,500,000	\$960,000	\$600,000									
University Investment											\$	21,390,000
A Recruitment Package for new faculty		\$1,000,000	\$1,500,000								\$	6,000,000
Sanford Investment												
University Investment		\$1,000,000	\$1,500,000								\$	6,000,000
Annual support for up to 8 faculty members	\$2,742,500	\$1,742,500	\$1,742,500									
University Investment												
Facilitation and dissemination of training modules, under the guidance of the Compassion Institute												
Sanford Investment	\$1,200,000	\$1,200,000	\$1,200,000								\$	6,000,000
University Investment												17,410,000

Research

Seed Funding for UC San Diego investigator-driven projects	\$800,000	\$1,000,000	\$1,400,000	\$2,400,000	\$1,400,000						\$	6,000,000	
Seed Funding for Collaborative Projects, prioritizing the Sanford network	\$800,000	\$1,000,000	\$1,400,000	\$1,400,000	\$1,400,000						\$	6,000,000	
Specialized Neurological Imaging Equipment		\$1,500,000	\$4,500,000	\$2,000,000	\$2,000,000								\$
University Investment													10,000,000
Research Cores and Assets made available to Institute (in-kind services)	\$1,402,000	\$1,551,500	\$2,015,500	\$2,015,500	\$2,015,500								\$
University Investment													8,700,000
Research Fellowships	\$0	\$625,000	\$625,000	\$625,000	\$625,000						\$	2,500,000	

Program Support

Annual International Conference	\$0	\$250,000	\$250,000	\$250,000	\$250,000						\$	1,000,000	
Integration of New Methods into Medical School Curriculum	\$815,000	\$1,165,000	\$1,165,000	\$1,165,000	\$1,165,000						\$	5,675,000	
Sanford Scholars of Compassion (Scholarships for Medical Students)	\$1,000,000										\$	1,000,000	
Student-run Free Clinic	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000						\$	10,000,000	
Center for Empathic Practice of Medical and Technological Innovation	\$1,925,000	\$3,625,000	\$2,925,000	\$2,925,000	\$2,925,000						\$	13,325,000	
Center for Mentorship and Communication in Medicine	\$2,040,000	\$2,040,000	\$2,040,000	\$2,040,000	\$2,040,000						\$	10,200,000	
Sanford Investment													

Exhibit E

Campus Locations for the T. Denny Sanford Institute for Empathy and Compassion

There are three primary space needs for the Sanford Institute, which align with UC San Diego Health Sciences' tripartite mission: education, research, and patient care. Location examples for each of these primary functions are provided below.

Medical Education

We intend to positively change the medical school curriculum nationally to include compassion training for medical students at critical junctures throughout their four years of medical school. The implementation, assessment, and validation of these programs will primarily occur on the School of Medicine campus.

Location examples:

- T. Denny Sanford Medical Education and Telemedicine Building
- Student-Run Free Clinic, operating at multiple off-campus sites in San Diego County

Research

Laboratory locations for the Sanford Institute will be indicated by the disciplines of the faculty recruited and their research needs. It is our intention that labs across the UC San Diego campus will be engaged in the Sanford Institute's work.

Location examples:

- Center for Neural Circuits and Behavior
- Center for Functional MRI

Patient Care

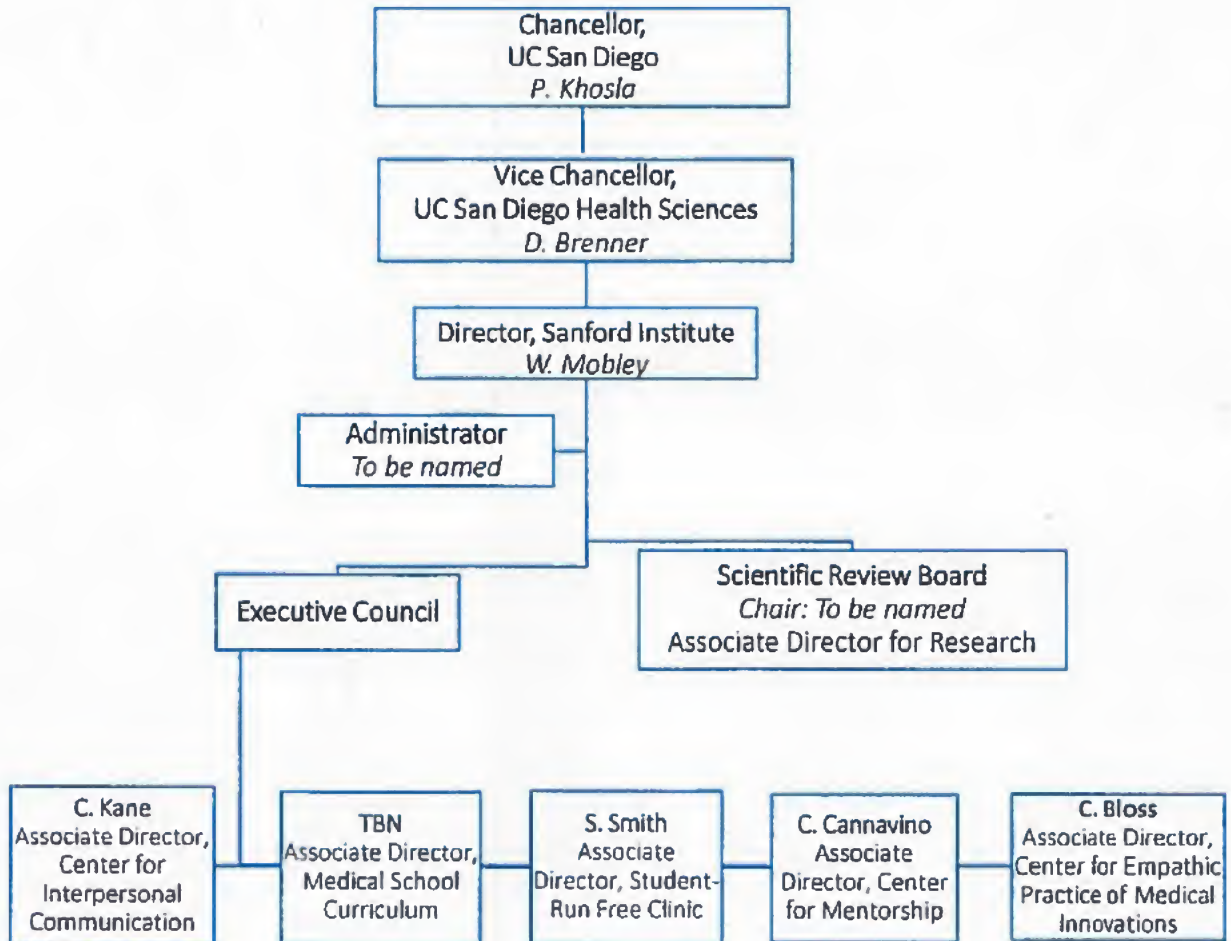
The UC San Diego Health System, with multiple locations in La Jolla and Hillcrest, will pilot and operate programs for practicing physicians, residents, and interns.

Location examples:

- Jacobs Medical Center
- Moores Cancer Center

Exhibit F

T. Denny Sanford Institute for Empathy and Compassion: Governance and Management Structure



Executive Council

The Executive Council of the T. Denny Sanford Institute for Empathy and Compassion will serve as the principal forum for ensuring cross-disciplinary coordination in all Sanford Institute activities. Under the auspices of the Vice Chancellor of UC San Diego Health Sciences, the principal functions of the Executive Council will include the following:

- Executing and monitoring programmatic plans within the Sanford Institute.
- Providing oversight and coordination of the programs and activities within the Sanford Institute to ensure efficiency and transparency.
- Reviewing operating budgets.

The Executive Council will be composed of the Director of the Sanford Institute, School of Medicine leadership, and leaders of key programs within the Sanford Institute. The current roster of members include:

- William Mobley, MD, PhD - Director, Sanford Institute for Empathy and Compassion
- Christopher Kane, MD - Dean of Clinical Affairs, UC San Diego School of Medicine
- *Currently in Recruitment* - Vice Dean of Medical Education, UC San Diego School of Medicine
- Sunny Smith, MD - Academic Community Director, Medical Co-director of the Student Run Free Clinic, and Clinical Professor of Family and Preventive Medicine, UC San Diego School of Medicine
- Christopher Cannavino, MD - Associate Director of Pediatrics Residency Program and Associate Professor of Pediatrics, UC San Diego School of Medicine
- Cinnamon Bloss, PhD - Associate Professor of Psychiatry, Family Medicine and Public Health, UC San Diego School of Medicine

Scientific Review Board

The Scientific Review Board will be comprised of experts from institutions across the nation and representing disciplines that will impact our fundamental understanding of empathy and compassion. The primary purpose of the Scientific Review Board will be to guide the research directions of the Sanford Institute and ensure transparency and fairness in all research activities. The Scientific Review Board would make recommendations for funding of research projects, taking place both at UC San Diego and with our inter-institutional partners.